

~~CONFIDENTIAL~~April 4th, 1960COCOM Document No. 3710.88/5COORDINATING COMMITTEERECORD OF DISCUSSIONONINTERPRETATION OF ITEM 1088(b): GEAR MAKING MACHINERYMarch 31st, 1960

Present: Belgium (Luxembourg), France, Germany, Italy, Netherlands, United Kingdom, United States.

Reference: COCOM Document No. 3710.88/4.

1. The CHAIRMAN invited Delegates to give their views on the United Kingdom Delegation's Memorandum setting out the principles adopted by their authorities to implement Item 1088(b).
2. The BELGIAN, FRENCH, GERMAN, JAPANESE and NETHERLANDS Delegates stated that their authorities considered that the United Kingdom interpretation was reasonable.
3. The ITALIAN Delegate stated that the matter was still under consideration by his authorities, but that their preliminary study had led them to believe that this interpretation was reasonable.
4. The UNITED STATES Delegate made the following statement:

"The United States believes that it was the intent of Item 1088(b) to embargo those gear making machines capable of manufacturing fine gears (those with a diametral pitch finer than 48) on a production line basis as distinguished from machines which are capable of being used only occasionally for the production of limited quantities of fine pitch gears.

"However, it is the belief of the United States authorities that a criterion which automatically frees from embargo all machines with a maximum work piece capacity of 4 inches or more would fail to accomplish this objective. Many gear making machines with a maximum work piece capacity of 4 inches or more not only are capable of producing gears with a diametral pitch finer than 48, but are rated by the manufacturer for that very purpose. And this reflects the manufacturer's judgment that if his equipment is capable of, and generally intended for, the production of fine gears, he would identify his equipment accordingly, that is to say, he would in fact use this capacity as a major selling point.

"In the United States, the maximum work piece capacity of machines capable of manufacturing gears with a diametral pitch finer than 48 is at the present time 7.5 inches. It is true that in Europe at the present time the corresponding figure is 4 inches; however, an increase in this work piece capacity is

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possible. United States machines with a maximum work piece capacity of 7.5 inches or less would in most cases be production type machines for the manufacture of fine pitch gears in the quantities required by modern weapons systems.

"In the light of the foregoing, the United States believes that the manufacturer's rating of capability can be used to identify machines intended for embargo. The United Kingdom interpretation that all machines with a maximum work piece capacity of 4 inches or more are free from embargo would remove a large number of machines between 4 and 7.5 inches. Since this interpretation would free machines which the purpose of the definition was to embargo, the United States does not regard it as a proper criterion.

"Pending any change by COCOM in the definition of Item 1088(b), the United States believes that Participating Countries should implement this definition as it now reads, in accordance with the intent of the definition as given in the ~~first~~ paragraph above.

"The United States proposes that the following interpretation be applied in the licensing of items which may fall within Item 1088(b):

a. Gear-making machines capable of manufacturing gears with a diametral pitch finer than 48 on a production line basis (as opposed to those machines capable of producing only limited quantities of such gear) will be regarded as falling under embargo. In determining the capacity of such machines, the manufacturer's rating of their capacity may be considered.

b. Doubtful cases will be submitted to the Committee before a final decision is reached."

5. The GERMAN Delegate reminded the Committee that during the recent review his authorities had proposed that the embargo should apply only to machines making teeth for the smallest precision gears. The definition as it finally emerged represented a compromise, with a tacit understanding that the German proposal should be taken into account. The United Kingdom interpretation appeared to be in line with that understanding. The German authorities could subscribe to the policy outlined in paragraph 4(2) of the United Kingdom Memorandum (COCOM 3710.88/4): machines with a maximum work piece capacity of less than 4 inches would be considered individually and each case decided on its merits; if the authorities had doubts, the matter would be laid before the Committee.

6. The UNITED STATES Delegate asked whether the representatives of producing countries could inform the Committee how their authorities had been applying this definition up to the present.

7. In the absence of experts, no immediate reply could be given, but Delegations undertook to refer to their authorities both the United States Delegate's query and the statement set out in paragraph 4 above, which would be given careful study.

8. It was agreed to discuss the matter again on the 2nd May.